

ARTICLES OF MERGER  
OF  
MEDICAL SERVICE LIFE AGENCY, INC.  
COMBINED SERVICES NORTHWEST, INC.  
GS INSURANCE AGENCY, INC.  
AND  
REGENCE COORDINATED SERVICES, INC.

APR 1 2 11 PM '99  
04/01/1999 09:00  
CX: 77576 CT: 16058 BH: 203211  
1 @ 30.00 = 30.00 MERGER # 2  
1 @ 20.00 = 20.00 EXPEDITE C # 3

- TO:
1. The Secretary of State  
State of Oregon
  2. The Secretary of State  
State of Washington
  3. The Utah Division of Corporations and Commercial Code  
State of Utah
  4. The Secretary of State  
State of Idaho

C 99357

Pursuant to the provisions of the Oregon Business Corporation Act, the Washington Business Corporation Act, the Utah Revised Business Corporations Act, and the Idaho Business Corporation Act, the business corporations herein named do hereby submit the following Articles of Merger.

1. Annexed hereto and made a part hereof is the Plan and Agreement of Merger for merging Medical Service Life Agency, Inc. ("MSLAI"), an Idaho Corporation, Combined Services Northwest, Inc. ("CSNI"), a Washington Corporation and GS Insurance Agency, Inc. ("GSI"), a Utah Corporation with and into Regence Coordinated Services, Inc. ("RCSI"), an Oregon Corporation as approved by resolution adopted at meetings by the Board of Directors of MSLAI on March 29, 1999, CSNI on March 24, 1999, GSI on March 25, 1999, and RCSI on March 29, 1999.

2. With regard to MSLAI, the designation, the number of outstanding shares, and the number of votes entitled to be cast by each voting group entitled to vote on the Plan and Agreement of Merger are as follows:

- (a) Designation of voting group: Common stock shareholders.
- (b) Number of outstanding shares of voting group: 1,000.

(c) Number of votes entitled to be cast by voting group entitled to vote on the Plan and Agreement of Merger: 1,000.

3. With regard to MSLAI, the total number of votes cast for and against the Plan and Agreement of Merger by each voting group entitled to vote on the said merger is as follows:

(a) Designation of voting group: Common stock shareholders.

(b) Number of votes of voting group cast for the Plan and Agreement of Merger: 1,000.

(c) Number of votes of voting group cast against the Plan and Agreement of Merger: 0.

4. With regard to MSLAI, the total number of undisputed votes cast for the Plan and Agreement of Merger by each voting group entitled to vote separately on the Plan and Agreement of Merger is as follows:

(a) Designation of voting group: Common stock shareholders.

(b) Number of undisputed votes of voting group cast for the Plan and Agreement of Merger: 1,000.

5. The said number of votes cast for the Plan and Agreement of Merger was sufficient for the approval thereof by the said voting group.

6. With regard to CSNI, the designation, the number of outstanding shares, and the number of votes entitled to be cast by each voting group entitled to vote on the Plan and Agreement of Merger are as follows:

(a) Designation of voting group: Common stock shareholders.

(b) Number of outstanding shares of voting group: 6,000.

(c) Number of votes entitled to be cast by voting group entitled to vote on the Plan and Agreement of Merger: 6,000.

7. With regard to CSNI, the total number of votes cast for and against the Plan and Agreement of Merger by each voting group entitled to vote on the said merger is as follows:

(a) Designation of voting group: Common stock shareholders.

(b) Number of votes of voting group cast for the Plan and Agreement of Merger: 6,000.

(c) Number of votes of voting group cast against the Plan and Agreement of Merger: 0.

8. With regard to CSNI, the total number of undisputed votes cast for the Plan and Agreement of Merger by each voting group entitled to vote separately on the Plan and Agreement of Merger is as follows:

(a) Designation of voting group: Common stock shareholders.

(b) Number of undisputed votes of voting group cast for the Plan and Agreement of Merger: 6,000.

9. The said number of votes cast for the Plan and Agreement of Merger was sufficient for the approval thereof by the said voting group.

10. With regard to GSI, the designation, the number of outstanding shares, and the number of votes entitled to be cast by the sole voting group entitled to vote on the Plan and Agreement of Merger are as follows:

(a) Designation of voting group: Common stock shareholders.

(b) Number of outstanding shares of voting group: 10,000.

(c) Number of votes entitled to be cast by voting group entitled to vote on the Plan and Agreement of Merger: 10,000.

11. With regard to GSI, the total number of votes cast for and against the Plan and Agreement of Merger by the sole voting group entitled to vote on the Plan and Agreement of Merger is as follows:

For:	10,000
Against:	0

12. The said number of votes cast for the Plan and Agreement of Merger was sufficient for the approval thereof by the said voting group.

13. With regard to RCSI, Shareholder approval is not required under the laws of Idaho, Washington, Utah and Oregon because:

(a) The Articles of Incorporation of RCSI will not differ after the merger from the Articles in effect before the merger;

(b) The shares of the Shareholder of RCSI will be the same in number, designation, preference, limitations and relative rights immediately before and after the merger;

(c) The number of voting shares outstanding plus the number of voting shares issuable as a result of the merger will be the same immediately before and after the merger; and

(d) The number of participating shares outstanding plus the number of participating shares issuable as a result of the merger will be the same immediately before and after the merger.


14. The merger of MSLAI, CSNI and GSI with and into RCSI is permitted by the laws of the jurisdictions of organization of MSLAI, CSNI, GSI and RCSI and has been authorized in compliance with said laws.

15. These Articles may be executed in any number of counterparts, each of which shall be deemed to be an original instrument and all of which together shall constitute a single Articles of Merger.

16. The effective time and date of the merger herein provided shall be 5:00 p.m. PST on April 1, 1999.

Executed on: March 30, 1999

**MEDICAL SERVICE LIFE AGENCY, INC.**

By:   
Name: JOHN RUCH  
Title: CHAIR OF THE BOARD

**COMBINED SERVICES NORTHWEST, INC.**

By:  
Name:

(b) The shares of the Shareholder of RCSI will be the same in number, designation, limitations and relative rights immediately before and after the merger;

(c) The number of voting shares outstanding plus the number of voting shares issuable as a result of the merger will be the same immediately before and after the merger; and

(d) The number of participating shares outstanding plus the number of participating shares issuable as a result of the merger will be the same immediately before and after the merger.

14. The merger of MSLAI, CSNI and GSI with and into RCSI is permitted by the laws of the jurisdictions of organization of MSLAI, CSNI, GSI and RCSI and has been authorized in compliance with said laws.

15. These Articles may be executed in any number of counterparts, each of which shall be deemed to be an original instrument and all of which together shall constitute a single Articles of Merger.

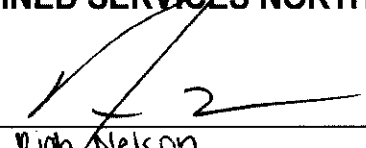
16. The effective time and date of the merger herein provided shall be 5:00 p.m. PST on April 1, 1999.

Executed on: March 30, 1999


**MEDICAL SERVICE LIFE AGENCY, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_


**COMBINED SERVICES NORTHWEST, INC.**

By:  \_\_\_\_\_  
Name: Rich Nelson  
Title: President

**GS INSURANCE AGENCY, INC.**

By:   
Name: Jed H. Pitcher  
Title: President

**REGENCE COORDINATED SERVICES, INC.**

By:   
Name: John Nicklo  
Title: President

## PLAN AND AGREEMENT OF MERGER

**DATE:** March 30, 1999

### **PARTIES:**

1. Regence Life and Health Insurance Company ("RLHIC")  
100 SW Market Street (MS E-3A), Portland, OR 97201
2. Regence Coordinated Services, Inc. ("RCSI")  
200 SW Market Street (MS E-12B), Portland, OR 97201
3. Combined Services Northwest, Inc. ("CSNI")  
1800 Ninth Avenue, Seattle, WA 98101.
4. GS Insurance Agency, Inc. ("GSI")  
2890 East Cottonwood Parkway, Salt Lake City, UT 84130
5. Medical Service Life Agency, Inc. ("MSLAI")  
1602 - 21<sup>st</sup> Avenue, Lewiston, ID 83501

### **RECITALS**

- A. RLHIC is an Oregon for profit corporation;
- B. RCSI is an Oregon for profit corporation and a wholly-owned subsidiary of RLHIC;
- C. CSNI is a Washington for profit corporation and a wholly owned subsidiary of Regence BlueShield ("RBS");
- D. GSI is a Utah for profit corporation and wholly owned subsidiary of Regence BlueCross BlueShield of Utah ("RBCBSU");
- E. MSLAI is an Idaho for profit corporation and a wholly owned subsidiary of Regence BlueShield of Idaho ("RBSI");
- F. The Boards of Directors of RLHIC, RCSI, CSNI, GSI and MSLAI have approved the merger of CSNI, GSI, MSLAI and RCSI (herein after jointly, the "Constituent Corporations"); and
- G. RCSI would, under the terms of merger, be the surviving corporation and the corporate existence of CSNI, GSI and MSLAI would cease.

## **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises and conditions contained herein, the parties agree as follows:

### **1. Merger of Constituent Corporations.**

**1.1 Merger.** At the Effective Date, CSNI, GSI and MSLAI shall be merged with and into RCSI; the separate corporate existence of CSNI, GSI and MSLAI shall cease; and RCSI shall survive as a corporation under its present name (the "Surviving Corporation"), organized under and governed by the laws of the State of Oregon.

**1.2 Effect of Merger.** At the Effective Date, all rights, privileges, powers and franchises, both of a public as well as a private nature, of the Constituent Corporations shall be vested in and possessed by the Surviving Corporation; all property, real, personal and mixed, of the Constituent Corporations shall be transferred to and vested in the surviving Corporation without further act or deed; all debts and liabilities of the Constituent Corporations shall attach to the Surviving Corporation, and may be enforced against it to the same extent as if such debts and liabilities had been incurred or contracted by it; all in the manner and with the effect set forth in ORS 60.497, RCW 23B.11.100, Utah Code 16-10a-1106 and Idaho Code 30-1-76.

**1.3 Effective Date.** The merger herein contemplated shall become effective on the latter of the following five dates (herein referred to as the "Effective Date"): April 1, 1999 or the date on which a Certificate of Merger shall be filed with the Secretary of State of Oregon in the manner required by the laws of the State of Oregon or the date on which Articles of Merger shall be filed with the Secretary of State of Washington or the date on which Articles of Merger shall be filed with the Secretary of State of Utah or the date on which a Certificate of Merger shall be filed with the Secretary of State of the State of Idaho.

**2. Articles of Incorporation.** The Articles of Incorporation of RCSI as in effect immediately prior to the Effective Date shall be the Articles of Incorporation of the Surviving Corporation until the same are amended in accordance with applicable law.

**2.1 Bylaws.** The Bylaws of RCSI as in effect immediately prior to the Effective Date shall be the Bylaws of the surviving Corporation until the same are amended or repealed, or until new Bylaws are adopted, as provided therein.

**2.2 Directors and Officers.** The Board of Directors of the Surviving Corporation shall consist of those persons who are the Board of Directors of RCSI immediately prior to the Effective Date, and they shall hold office in each case until their respective successors are duly elected and qualify. The officers of the Surviving Corporation shall be those persons who are the officers of RCSI immediately prior to the



Effective Date, and they shall hold office in each case at the pleasure of the Board of Directors of the Surviving Corporation.

**3. Conversion of Stock.** Each share of common stock of CSNI, GSI and MSLAI that is issued and outstanding immediately prior to the Effective Date shall, by virtue of this merger and without any further action by the holder thereof, be extinguished and terminated for all purposes whatsoever.

**4. Issuance of Stock.** As of the Effective Date, RLHIC shall issue certificates of common stock as follows:

5,439 shares to RBS  
2,571 shares to RBCBSU  
571 shares to RBSI

**5. Representations and Warranties of RLHIC.** RLHIC represents and warrants as follows:

**5.1 Organization and Good Standing.** RLHIC is a corporation duly organized, validly existing, and in good standing under the laws of the State of Oregon and has all the requisite power and authority to carry on its business as it is now being conducted.

**5.2 Authorization.** RLHIC has the corporate power and authority to execute and deliver this Agreement and to consummate the merger contemplated hereby. The execution and delivery of this Agreement and the consummation of the merger contemplated hereby has been duly authorized by the Board of Directors of RLHIC. No other corporate proceedings on the part of RLHIC are necessary to authorize the execution and delivery of this Agreement on the consummation of the merger contemplated hereby.

**6. Representations and Warranties of RCSI.** RCSI represents and warrants as follows:

**6.1 Organization and Good Standing.** RCSI is a corporation duly organized, validly existing, and in good standing under the laws of the State of Oregon, and has all requisite power and authority to carry on its business as it is now being conducted.

**6.2 Capitalization.** The authorized capitalization of RCSI is 1,000 shares of common stock, of which 100 shares are validly issued and outstanding, fully paid and non-assessable.

**6.3 Authorization.** RCSI has the corporate power and authority to execute and deliver this Agreement and to consummate the merger contemplated hereby. The execution and delivery of this Agreement and the consummation of the merger

contemplated hereby has been duly authorized by the Board of directors of RCSI. No other corporate proceedings on the part of RCSI are necessary to authorize the execution and delivery of this Agreement or the consummation of the merger contemplated hereby.

**7. Representations and Warranties of CSNI.** CSNI represents and warrants as follows:

**7.1 Organization and Good Standing.** CSNI is a corporation duly organized, validly existing, and in good standing under the laws of the State of Washington, and has all requisite power and authority to own its properties and to carry on its business as it is now being conducted.

**7.2 Capitalization.** The authorized capitalization of CSNI consists of 50,000 shares of common stock, \$1 par value, of which 6,000 shares are validly issued and outstanding, fully paid and non-assessable. Other than as described in this Section 7.2, CSNI does not have authorized or outstanding any stock or securities, or any options, warrants, convertible securities, or other rights to purchase or convert any obligations into stock or securities of CSNI, nor is CSNI obligated to issue any stock, securities, options, warrants, or other such rights.

**7.3 Authorization.** CSNI has the corporate power and authority to execute and deliver this Agreement and to consummate the merger contemplated hereby. The execution and delivery of this Agreement and the consummation of the merger contemplated hereby has been duly authorized by the shareholder and Board of directors of CSNI. No other corporate proceedings on the part of CSNI are necessary to authorize the execution and delivery of this Agreement or the consummation of the merger contemplated hereby.

**8. Representations and Warranties of GSI.** GSI represents and warrants as follows:

**8.1 Organization and Good Standing.** GSI is a corporation duly organized, validly existing, and in good standing under the laws of the State of Utah, and has all requisite power and authority to carry on its business as it is now being conducted.

**8.2 Capitalization.** The authorized capitalization of GSI consists of 300,000 shares of common stock, no par value, of which 10,000 shares are validly issued and outstanding, fully paid and non-assessable. Other than as described in this Section 8.2, GSI does not have authorized or outstanding any stock or securities, or any options, warrants, convertible securities, or other rights to purchase or convert any obligations into stock or securities of GSI, nor is GSI obligated to issue any stock, securities, options, warrants, or other such rights.

**8.3 Authorization.** GSI has the corporate power and authority to execute and deliver this Agreement and to consummate the merger contemplated hereby. The execution and delivery of this Agreement and the consummation of the merger contemplated hereby has been duly authorized by the shareholder and Board of directors of GSI. No other corporate proceedings on the part of GSI are necessary to authorize the execution and delivery of this Agreement or the consummation of the merger contemplated hereby.

**9. Representations and Warranties of MSLAI.** MSLAI represents and warrants as follows:

**9.1 Organization and Good Standing.** MSLAI is a corporation duly organized, validly existing, and in good standing under the laws of the State of Idaho, and has all requisite power and authority to carry on its business as it is now being conducted.

**9.2 Capitalization.** The authorized capitalization of MSLAI consists of 10,000 shares of common stock, no par value, of which 1,000 shares are validly issued and outstanding, fully paid and non-assessable. Other than as described in this Section 9.2, MSLAI does not have authorized or outstanding any stock or securities, or any options, warrants, convertible securities, or other rights to purchase or convert any obligations into stock or securities of MSLAI, nor is MSLAI obligated to issue any stock, securities, options, warrants, or other such rights.

**9.3 Authorization.** MSLAI has the corporate power and authority to execute and deliver this Agreement and to consummate the merger contemplated hereby. The execution and delivery of this Agreement and the consummation of the merger contemplated hereby has been duly authorized by the shareholder and Board of directors of MSLAI. No other corporate proceedings on the part of MSLAI are necessary to authorize the execution and delivery of this Agreement or the consummation of the merger contemplated hereby.

## **10. Miscellaneous Provisions.**

**10.1 Termination.** This Agreement may be terminated and the merger abandoned at any time prior to the Effective Date by mutual agreement of the Boards of Directors of the Constituent Corporations. If this merger is terminated, this Agreement shall become null and void, each party shall bear its own expenses, and there shall be no liability on the part of the Constituent Corporation, their respective Boards of Directors, or shareholders.

**10.2 Entire Agreement.** This document is the entire, final and complete agreement and understanding of the parties with respect to the merger contemplated hereby, and supersedes and replaces all written and oral agreements or understandings heretofore made or existing by and between the parties or their representatives with respect thereto.

**10.3 Amendment.** This Agreement may be amended at any time prior to the Effective Date with the approval of the respective Boards of directors of the Constituent Corporations. No amendment of this Agreement shall be valid, however, unless the same is in writing and signed by a duly authorized representative of each Constituent Corporation.

**10.4 Binding Effect.** All rights, remedies and liabilities herein given to or imposed upon the parties shall extend to, inure to the benefit of and bind, as the circumstances may require, the parties and their respective successors and assigns.

**10.5 Severability.** In the event any provision or portion of this Agreement is held to be unenforceable or invalid by any court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect and shall in no way be affected or invalidated thereby.

**10.6 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original instrument and all of which together shall constitute a single agreement.